At this rate, pay equity could be achieved at the end of four years, if as expected, total pay adjustments needed approximate four percent of payroll.

On average, women working in predominantly female job categories will receive increases of over 10% in their rates of pay.

It is estimated that pay equity will cost the government about $88 million per year.

Limit on Employer Liability

Employers will not be required to pay out more than one percent of their total annual payroll. That percentage is to be calculated on the preceding 12 months payroll total.

Collective Agreements

A pay equity plan prevails over the provisions of all relevant collective agreements.

Copies of the Bill are available from:

Communications Branch
Ontario Ministry of Labour
2nd floor
400 University Avenue
Toronto, Ontario M7A 1T7

Ontario
Ministry of
Labour

Ontario
Ministry of
Labour

Hon. W. Wrye
Minister of Labour

Highlights

Pay Equity in the Ontario Public Service

VF (BILLS, ACTS, ETC.)
Bill 105: Public Service Pay
EQuity Act, 1986

Highlights of the Bill

Purpose

The purpose of the Act is to redress pay discrimination for work performed by female employees in the Ontario Public Service.

Scope

The Ontario Public Service includes all those employed or appointed under the Public Service Act, plus all employees of the six agencies which bargain under the Crown Employees Bargaining Act.

Approximately 76,000 employees will be covered by the legislation, of which about 29,000 are in predominantly female job groups.

Definition of Gender Predominance:

Gender predominance is defined as follows:

- a predominantly female group consists of a group in which 60% or more of the jobs are held by women;
- a predominantly male group consists of a group in which 70% or more of the jobs are held by men.

Approach

The Act provides a two-stage approach.

The first, or proactive stage will require public service employers, along with their bargaining agents, to identify pay inequities for predominantly female groups of jobs. Employers must then provide compensation to a specific pay-equity time schedule.

The second, or complaints stage will provide a means of dealing with problems which may subsequently arise.

Pay Equity Commission

A Pay Equity Commission will be established to enforce the legislation. It will consist of a Presiding Officer, one or more Deputy Presiding Officers, and an equal number of representatives from employees and employers.

During the first stage, the commission will have the power to review pay equity plans and to issue orders ensuring compliance.

In the second stage, the commission will investigate and settle complaints with respect to compensation practices, when necessary.

Achievement of Pay Equity

Pay equity is achieved when the pay for female jobs is equal to the pay for male jobs of equal or comparable value.

Job Value

Four factors will comprise the value of a job. These are: skill, effort, responsibility and working conditions.

Protection of Wage Levels

No employees' wages, or rates of compensation payable to any position, can be reduced in order to achieve pay equity.

Pay Equity Plan

A pay equity plan will provide:

- a job evaluation or comparison system;
- identification of predominantly female and predominantly male jobs;
- adjustment of rates of compensation to achieve pay equity.

Pay Equity Plan Development

Pay equity plans of each employer are to be developed in stages. Both employers and employee bargaining agents will be involved from the start. Collective bargaining is at the heart of pay equity development.

Non-bargaining-unit employees will not be overlooked. Employers are obliged to draw up fair pay equity plans for all employees.

When individual plans are completed, the employer will develop an organization-wide pay equity scheme.

Time Limits

Time periods for the negotiation and development of pay equity plans, and the beginning of the first pay adjustments of each plan, are specified in the legislation.

Bargaining unit plans may be referred to arbitration if the parties fail to reach agreement within the specified time period.

Non-bargaining-unit plans may be established by the Pay Equity Commission if the employer fails to file the plans on time.

Extensions

All time limits specified in the legislation may be extended by the Pay Equity Commission.

Adjustments in Rates of Compensation

Pay equity adjustments will only be made for predominantly female jobs.

Employers will be required to increase total payroll by at least one percent per year to make pay equity adjustments. The first adjustments are expected to be made two years after proclamation, and will represent not less than two percent of the total payroll, i.e., one percent for each year from the date of proclamation.